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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 10/666,913 | 09/19/2003 | Michael R. Boyle | 12628US04 | 6468 |

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| EXAMINER |
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JOHNSON, GREGORY L

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| ART UNIT | PAPER NUMBER |
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3691

| SHORTENED STATUTORY PERIOD OF RESPONSE | MAIL DATE | DELIVERY MODE |
|--|------------|---------------|
| 3 MONTHS | 03/08/2007 | PAPER |

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/666,913

Applicant(s)

BOYLE ET AL.

Examiner

GREGORY JOHNSON

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 September 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 19 September 2003 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date 01/02/2004.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____.

DETAILED ACTION

1. This communication is in response to the CIP application filed September 19, 2003. Claims 1-19 have been examined.

Priority

2. Applicant is granted a filing priority date of October 29, 2002.

Drawings

3. The drawings are objected to because Step 60 of Figure 1 conflicts with statements made in the specification. The specification states "5 highest ranked securities". Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

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Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

6. Claims 1-11 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nike Securities L.P. (herein Nike), SEC File 333-69772, FT 567, Pages 12-14, in view of Tarrant, Pat. No. 7,085,738 B2 and Ricciardi, Pub. No. 2002/0059126 A1.

As to claim 1, Nike discloses a method comprises:

providing an investment portfolio comprising selected securities from selected economic sectors (page 12, Portfolios, Objectives);

weighting said selected economic sectors to provide a sector weight for said each selected economic sector (page 13, The S&P Target 24 Strategy, last paragraph);

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weighting said selected securities from said each selected economic sector to provide an intra sector weight for said each selected security (page 14, The S&P Target 24 Strategy, Step 3).

Nike does not explicitly disclose a method for deciding the quantity of shares of each security selected to form an investment portfolio, comprising:

determining a dependent weight (i.e. capitalization-weighted weight) of said each selected security according to said intra sector weight of said each selected security, said sector weight of said each selected security's economic sector;

determining an equal-weighted weight of said each selected security according to said sector weight of said each selected security's economic sector, said predetermined percentage and the number of selected securities from said each selected security's economic sector.

However, Tarrant teaches that a method for creating and managing an index fund with a focused investment strategy (e.g. sector focused). The strategy would allocate capital to purchase securities based on a securities weighting. This weighting would be either an equally-weighted or cap-weighted. Tarrant also teaches how to determine (i.e. construct) equally-weighted and cap-weighted portfolios (col. 9, lines 18-31). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to include the aforementioned limitations as disclosed by Tarrant within Nike for the motivation of adjusting a portfolio for the volatility found in the 10 selected indices (i.e. 10 economic sectors) and weighting the results.

Nike and Tarrant do not explicitly disclose a computer implementation method for deciding the quantity of shares of each security selected to form an investment portfolio, comprising:

determining a dependent weight (i.e. capitalization-weighted weight) of said each selected security according to a predetermined percentage; and
adding said dependent weight to said equal-weighted weight of said each selected security to yield a portfolio weight of said each selected security.

However, Ricciardi teaches that a system (i.e. computer implemented) and method can be used for selecting an investment item (i.e. security) (page 2, paragraph 0024). Ricciardi also teaches that there are a number of strategies that can be used for constructing investment portfolios. Ricciardi teaches that strategies can be weighted and summed (e.g. adding capitalization-weight to equal-weighted) (page 2, paragraph 0022) and also that a further sector weighting of 40% can be applied to the securities (page 9, paragraph 0232, page 10, paragraph 0261, and page 12, paragraphs 0316-0319). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to combine the teachings of Ricciardi within the teachings of Nike and Tarrant for the motivation of adjusting the portfolio for the volatility found in the 10 selected indices (i.e. 10 economic sectors) and weighting the results.

As to claim 2, Nike discloses the method of claim 1, wherein said sector weight of said each selected economic sector is determined by weighting said each selected economic sector according to a relative market capitalization of said each selected

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economic sector within said selected economic sectors (page 13, The S&P Target 24 Strategy, last paragraph).

As to claim 3, Nike discloses the method of claim 1, wherein said intra sector weight of said each selected security is determined by weighting said each selected security according to the relative market capitalization of said each selected security within all selected securities from said selected security's economic sector (page 14, The S&P Target 24 Strategy, last paragraph).

As to claim 4, Nike does not explicitly disclose the method of claim 1 wherein said:

dependent weight of said each selected security is a capitalization-weighted weight dependent on the relative market capitalization of said each selected security within all selected securities from said each selected security's economic sector.

However, Tarrant teaches that a method for determining (i.e. constructing) a capitalization-weighted weight portfolios (col. 9, lines 18-31). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to include the aforementioned limitations as disclosed by Tarrant within Nike for the motivation of adjusting the portfolio for the volatility found in the 10 selected indices (i.e. 10 economic sectors) and weighting the results.

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As to claim 5, Nike discloses the method of claim 1 wherein said selected securities are from the group of securities comprises the 500 stocks that make up the Standard and Poor's 500 Composite Stock Price Index (page 13, The S&P Target 24 Strategy).

As to claim 6, Nike discloses the method of claim 1 wherein said selected economic sectors comprise eight economic sectors (page 13, The S&P Target 24 Strategy, Step 1).

As to claim 7, 9 and 10, Nike does not explicitly disclose the method of claim 1 wherein said selected securities comprises 5 securities from said each selected economic sector;

the method of claim 4 wherein the step of determining said capitalization-weighted weight of said each selected security further comprising:

(a) multiplying said intra sector weight of said each selected security by said sector weight of said each selected security's economic sector; and

(b) multiplying the result of said step (a) by said predetermined percentage;

the method of claim 9 wherein the step of determining said equal-weighted weight of said selected securities further comprising:

subtracting said predetermined percentage from 100%;

dividing the result from said subtraction by the number of selected securities from said each selected security's economic sector; and

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multiplying the result from said division by said sector weight of said each selected security's economic sector.

However, Tarrant teaches a method for determining (i.e. constructing) equal-weighted weight and capitalization-weighted weight portfolios (col. 9, lines 18-31). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to include the aforementioned limitations as disclosed by Tarrant within Nike for the motivation of adjusting the portfolio for the volatility found in the 10 selected indices (i.e. 10 economic sectors) and weighting the results to create an investment portfolio of 40 securities.

As to claim 8, Nike does not disclose the method of claim 1 wherein the predetermined percentage is 40%.

However, Ricciardi teaches that a stock selection process can include predetermined percentage associated with varies stock groups. For the sector group the predetermined percentage could be 40% (col. 12, paragraphs 0317-0319).

As to claim 11, Nile discloses the method of claim 1 further comprising purchasing said selected securities from said selected economic sectors, said purchased securities thereby forming said investment portfolio (page 12, How We Created the Trusts).

As to claim 19, Nike discloses the method of claim 1 wherein a sorting algorithm is used in said selecting a predetermined number of economic sectors and said selecting a predetermined number of securities (page 13, The S&P Target 24 Strategy, Steps 1 and 2).

7. Claims 12-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nike, Tattant and Ricciardi as applied to claim 1 above, and further in view of Cary, Pat. No. 6,920,432 B1.

As to claims 12-15, Nike, Tattant and Ricciardi do not teach the method of claim 1 further comprising creating:
a pooled investment vehicle comprising said selected securities from said selected economic sectors; a variable annuity comprising said selected securities from said selected economic sectors; an investment account comprising said selected securities from said selected economic sectors; and an open-ended mutual fund comprising said selected securities from said selected economic sectors.

However, Cary teaches a method where securities may be selected for funding any type of pooled investment vehicle or investment account. The method could also be used in connection with variable annuities, open-ended mutual funds, etc (col. 4, lines 15-20). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to include the aforementioned limitations as disclosed by Cary

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within Nike, Tattant and Ricciardi for the motivation of selecting securities that can be used to fund unit investment trusts and other types of financial accounts.

As to claim 16 and 17, Nike, Tattant and Ricciardi do not teach the method of claim 1 wherein said method is implemented on a computer as a software application program; and further comprising generating a securities database that may be stored, executed, and used by a computer.

However, Cary teaches a method that uses a computer program to execute the steps of selecting securities (col. 3, lines 39-43) and generating a securities database stored, executed and used by a computer (col. 2, lines 33-36 and 57-67). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to include the aforementioned limitations as disclosed by Cary within Nike, Tattant and Ricciardi for the motivation of utilizing a computer to carry out the repetitive steps associated generating and storing securities' information related to an investment portfolio in a database.

As to claim 18, Nike, Tattant and Ricciardi do teach the method of claim 1 wherein said investment portfolio is generated and stored as a computer files within said computer implementation.

However, Cary teaches a technique (i.e. method) for selecting securities for an investment portfolio that utilizes a computer for generating and storing securities information (claim 1 and col. 3, lines 24-43). It would have been obvious to one of

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ordinary skill in the art at the time of the Applicant's invention to include the aforementioned limitations as disclosed by Cary within Nike, Tattant and Ricciardi for the motivation of utilizing a computer to carry out the repetitive steps associated generating and storing information related to an investment portfolio.

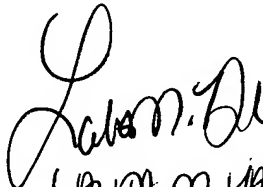
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to GREGORY JOHNSON whose telephone number is (571) 272-2025. The examiner can normally be reached on Monday - Friday, 8:30AM - 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ALEXANDER KALINOWSKI can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


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Examiner
Art Unit 3691

